

STATEMENT OF PURPOSE

RS30235 / S1108

This legislation, in making amendments to Sections 63-2552 and 63-2552A, Idaho code, along with removing obsolete language and making technical corrections, will make the retail sale of cigars in Idaho more competitive with neighboring states, and the internet. All tobacco products in Idaho are taxed on the wholesale sales price at 35%, with an additional 5% tax. All tobacco products, excluding cigars, will continue being subject to this 40% tax on the wholesale price, with cigars being capped at a tax of 0.50 cents per cigar

FISCAL NOTE

States have fluctuated in how they levy tobacco taxes, but from various studies and the effects realized by states enacting similar caps for cigars, the net effect has increased the sale of cigars, especially by the box, resulting in more excise and sales tax revenue.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).